A National Statistics publication for Scotland

PEOPLE, COMMUNITIES AND PLACES

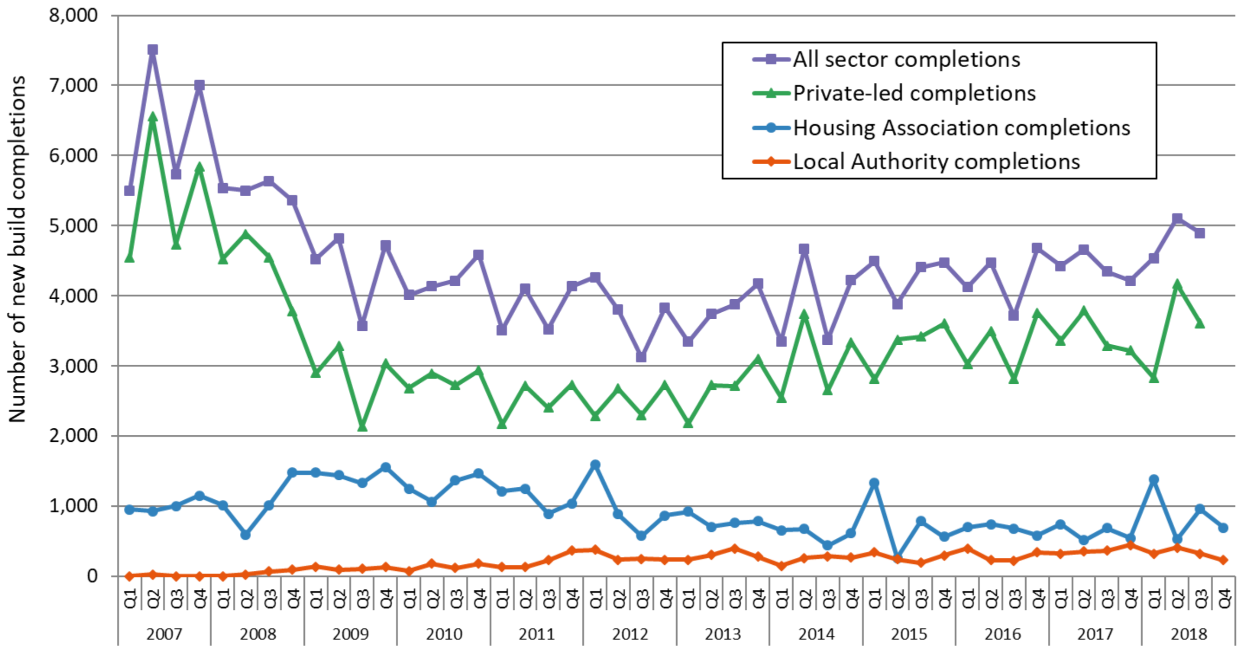
Housing Statistics for Scotland Quarterly Update (published 12 March 2019)

This quarterly statistical publication provides information on recent trends in:

- **New build housing starts and completions** by sector (up to end September 2018, with more up-to-date social sector information available up to end December 2018)
- **The Affordable Housing Supply Programme** (up to end December 2018)

Background information including Excel tables and an explanatory note on the Quarterly Housing Statistics can be found in the Housing Statistics webpages.

Chart 1: Quarterly new build completions, 2007 up to end December 2018



Key Points

New Build Housing – All Sectors – up to end September 2018

There were 4,894 **new build homes completed** between July and September 2018; a 13% increase (551 homes) on the same quarter in 2017. This brings the total for the year to end September 2018 to 18,750, up 4% (635 homes) compared to the 18,115 completed in the previous year.

There were 4,425 **new build homes started** between July 2018 and September 2018, 11% more (454 homes) than the same quarter in 2017. This brings the total for the year to end September 2018 to 19,900 which is up 2% (407 homes) compared to the 19,493 homes started in the previous year.

New Build Housing – Private-led Housing – up to end September 2018

Between July and September 2018, 3,608 **private sector led** homes were completed; 10% more (320 homes) than the same quarter in 2017. This brings the total for the year to end September 2018 to 13,831 which is 3% less (368 homes) than the 14,199 completions in the previous year.

There were 3,583 **private sector led starts** between July and September 2018, 15% more (480 homes) than the same quarter in 2017. This brings the total for the year ending September 2018 to 13,293 which is 3% less (397 homes) than the 13,690 starts in the previous year.

New Build Housing – Social Sector Housing (Housing Association and Local Authority combined) – up to end September 2018

There were 1,286 **social sector completions** between July and September 2018; 22% (231 homes) more than the same quarter in 2017. This brings the total for the year to end September 2018 to 4,919. This is a 26% increase on the 3,916 social sector completions in the previous year.

Meanwhile, 842 **social sector homes** were started between July and September 2018; 3% (26 homes) less than in the same quarter in 2017. This brings the total for the year to end September 2018 to 6,607. This is a 14% increase on the 5,803 social sector starts in the previous year.

More up-to-date figures – up to end December 2018

Between October and December 2018, 925 social sector homes were completed (7% less than the 992 completions in the same quarter in 2017), and 1,717 were started (39% more than the same quarter in the previous year). This brings the total completions for the 12 months to end December 2018 to 4,852 (a 22% increase on the 3,989 social sector homes completed in the previous year). Total starts over the 12 months to end December 2018 are now at 7,088 (20% more than the 5,919 started in the previous year).

New Build Housing – Housing Association Homes – up to end September 2018

There were 960 **Housing Association completions** between July and September 2018, 40% (274 homes) more completions than in the same period in the previous year. This brings the total completions for the 12 months to end September 2018 to 3,412, which is an increase of 35% on the 2,525 homes completed in the previous year.

There were 478 **housing association approvals** between July and September 2018; 2 homes less than the 480 approvals in the same quarter in 2017. This brings the total approvals for the 12 months to end September 2018 to 4,824, a 3% increase on the 4,704 approvals in the previous year.

More up-to-date figures – up to end December 2018

A total of 692 Housing Association homes were completed between October and December 2018, 27% (148 homes) more completions than in the same period in the previous year. This brings the total completions for the 12 months to end December 2018 to 3,560, which is an increase of 43% on the 2,489 homes completed in the previous year. A total of 1,233 Housing Association homes were approved between October and December 2018, 74% more homes than the 710 approvals in the same quarter in 2017. This brings the total approvals for the 12 months to end December 2018 to 5,347, a 17% increase on the 4,554 approvals in the previous year.

New Build Housing – Local Authority Homes – up to end September 2018

There were 326 **local authority completions** between July and September 2018, which is 12% (43 homes) less than the number that were completed in the same quarter in 2017. This brings the total for year ending September 2018 to 1,507. This is a 8% (116 homes) increase on the 1,391 completions in the previous year.

There were 364 **local authority starts** between July and September 2018; 6% less (24 homes) than in the same quarter in the previous year. This brings the total for year ending September 2018 to 1,783. This is a 62% (684 homes) increase on the 1,099 starts in the previous year.

More up-to-date figures – up to end December 2018

Between October and December 2018, 233 local authority houses were completed (48% less than the same quarter in the previous year), and 484 were started (8% less than in the same quarter in the previous year). This brings the total completions for the year to end December 2018 to 1,292, which is 14% less than the previous year. Total starts for the 12 months to end December 2018 now stands at 1,741 which is an increase of 28% on the 1,365 local authority homes started in the previous year.

Affordable Housing Supply – up to end December 2018

Affordable Housing Supply Programme (AHSP) statistics reflect the broader supply of affordable homes (i.e. for social rent, affordable rent and affordable home ownership) and include off-the-shelf purchases and rehabilitations as well as new builds.

The latest statistics for the year to end December 2018 show that **affordable housing supply completions** have totalled to 8,867, up 20% on the 7,415 completions in the previous year. This includes increases in social rent completions (up by 23% or 1050 homes), affordable rent completions (up by 11% or 218 homes) and affordable home ownership completions (up by 25% or 184 homes).

There were 12,570 **affordable housing approvals** over the year up to end December 2018, up by 22% or 2,289 homes compared to the previous year. This includes increases in social rent approvals (up by 31% or 1,889 homes), affordable rent approvals (up by 9% or 188 homes) and affordable home ownership approvals (up by 10% or 212 homes).

There were 9,659 **affordable houses started** in the year to end December 2018, down by 13% or 1,409 homes compared to the previous year. This includes decreases in in affordable rent starts (down by 39% or 708 homes), and social rent starts (down by 11% or 763 homes), but an increase in affordable home ownership starts (up by 3% or 62 homes).

Quarterly affordable housing supply statistics are used to inform the Scottish Government target to deliver 50,000 affordable homes, including 35,000 homes for social rent, over the period 2016/17 to 2020/21, and reflect the number of affordable homes delivered that have received some form of government support through loans, grant or guarantees.

Contents

New Build Housing – All Sectors – up to end September 2018

The new-build section of this document provides figures on the number of homes started (when the foundations are begun) and completed (when a building inspector deems the property complete).

Figures are presented for homes built on privately led (referred to throughout as private sector), local authority led (referred to as local authority sector) and housing association led (referred to as housing association sector) sites. For the private sector the latest information available is for the quarter ending September 2018. Whilst more up-to-date information is available for local authority and housing association new builds, findings for these sectors are mainly presented up to September 2018 to simplify comparisons between sectors.

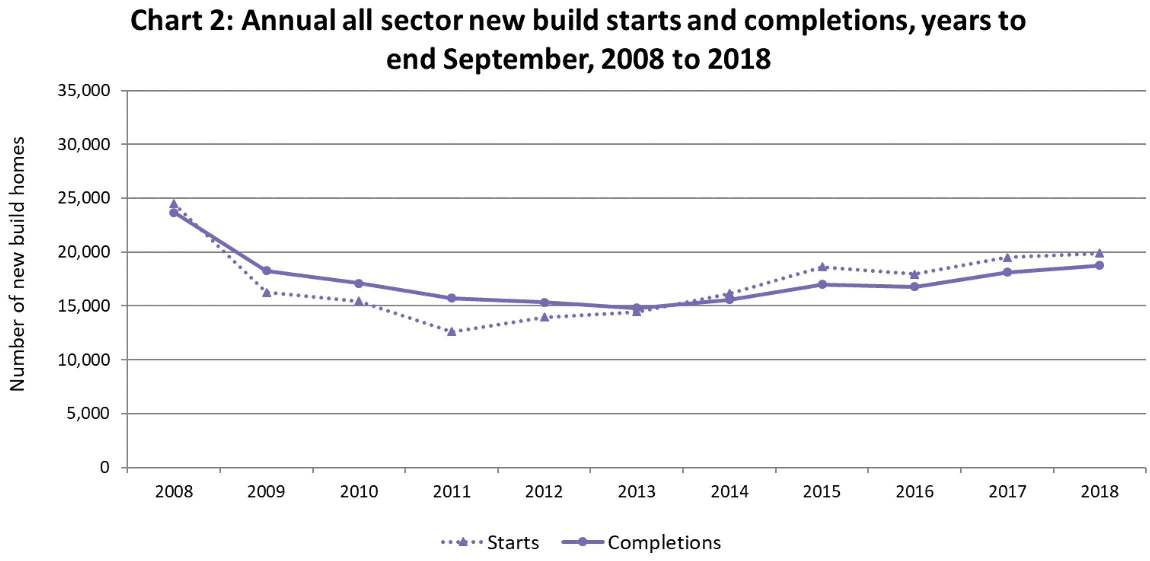
The figures have not been seasonally adjusted and so commentary tends to compare the latest quarter with the same quarter the previous year. To help with this, Quarter 3 figures (from July to September) have been highlighted in the charts to allow easy comparison over time. Some of the peaks in the number of starts in Quarter 1 each year are due to large numbers of housing association approvals being granted near the end of the financial year.

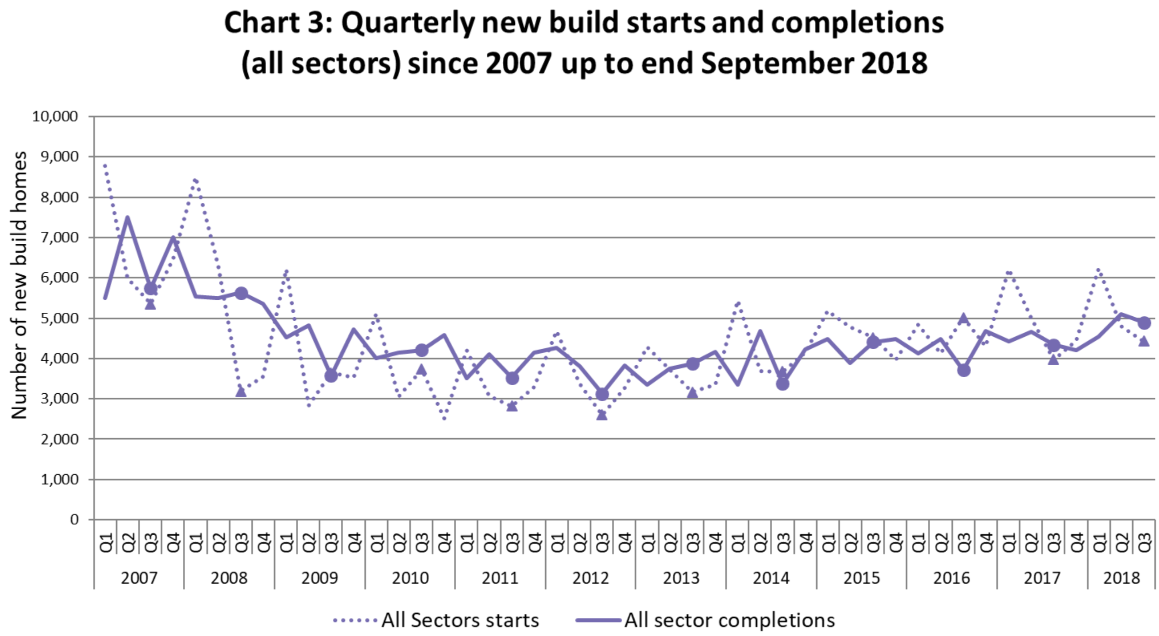
Chart 1 (see page 1) shows the number of private sector, social sector and total new homes completed each quarter since 2007, whilst Charts 2 and 3 (below) show annual and quarterly trends, respectively, in starts and completions across all sectors.

Trends over the last ten years – all sectors

Charts 1 to 3 all clearly show the impact of the recession in the second half of the last decade, with private sector led completions in particular falling throughout 2008 and 2009 (years to end September) due to the financial crisis. Completions for all sectors fell more gradually between 2010 and 2013, after which there have been some annual increases seen in the years following this.

The picture on all sector starts has been generally similar to the trends seen in completions, although most of the steep drop following the financial crisis was seen in 2009.





Trends to end September 2018 – all sectors

There were 4,894 new build homes completed between July and September 2018; a 13% increase (551 homes) on the same quarter in 2017. This brings the total for the year to end September 2018 to 18,750, up 4% (635 homes) compared to the 18,115 completed in the previous year.

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Comparison with the rest of the UK from 2008 to 2018 – all sectors

Each of the countries of the UK produces their own statistics on quarterly new build housing starts and completions by tenure, and all use broadly consistent definitions. These new build statistics for each of the countries of the UK, as well as for Great Britain and the UK as a whole can be found here: https://www.gov.uk/government/statistical-data-sets/live-tables-on-house-building.

In addition to this, the Ministry of Housing, Communities and Local Government (MHCLG) also produces an additional annual set of statistics for England on new build homes, as a component part of the 'Housing supply; net additional dwellings, England' set of statistics[1]. These statistics are collected on a different basis to the quarterly UK country statistics as local authorities can use a range of data sources to collate these figures rather than solely using building control information. Figures on this for 2017/18 were published on 15 November 2018, and this publication advised that the 'net additional dwellings' should be considered the primary and most comprehensive measure of housing supply in England.

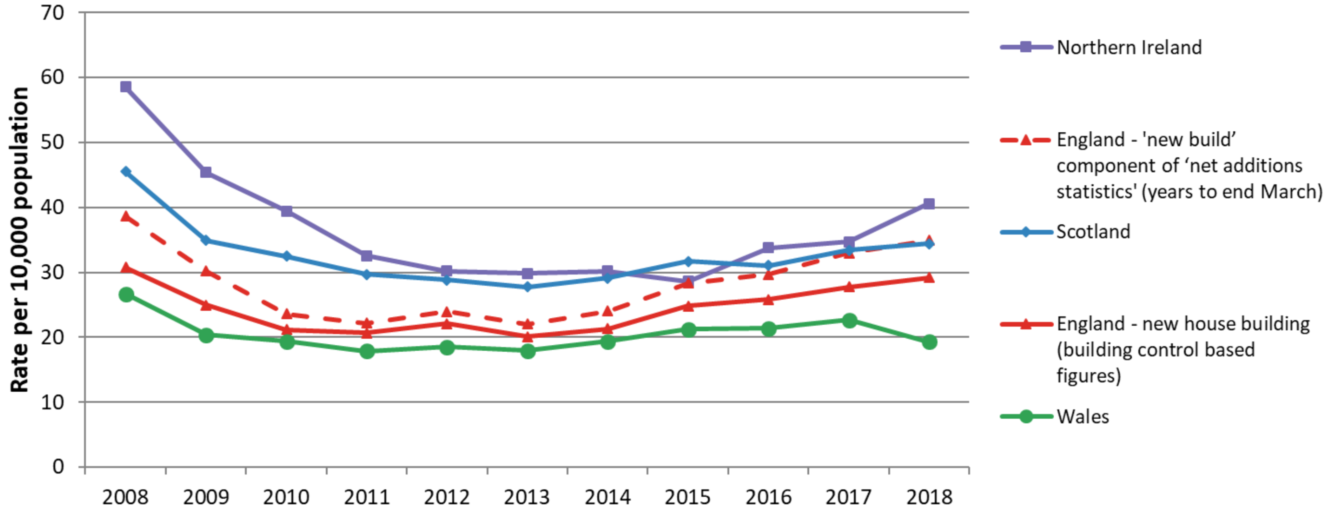
MHCLG have advised that the quarterly new build statistical collection for England, whilst being a useful leading indicator of activity throughout the year, is not currently capturing all new build activity, largely due to difficulties in collecting accurate starts and completions data from independent building inspectors or where building control has been sourced out to strategic partnerships or the private sector. These data issues do not exist in the Scotland quarterly housing statistics, given that all of the 32 local authorities in Scotland directly manage building control and the associated provision of data to the Scottish Government on starts and completions.

As a result of this advice, the new build component figures of the 'net additional dwellings' statistics for England are included in the UK comparisons as an additional set of figures to consider when comparing between countries.

Chart 4 shows that the rate of house building completions in Scotland has been above that of England and Wales throughout the 2008 to 2017 period (years to end September), in the latest year, whilst the rate in Scotland (34 per 10,000 population) has been above the comparable quarterly statistics for England (29 per 10,000 population), it is below the rate of 'net additional dwellings' new builds in England for 2017/18 (35 per 10,000 population). The rate of house building completions in Scotland has been below that of Northern Ireland between 2008 and 2018, except for 2015.

[1] https://www.gov.uk/government/collections/net-supply-of-housing

Chart 4: New house building as a rate per 10,000 population for UK countries, years to end September, 2008 to 2018

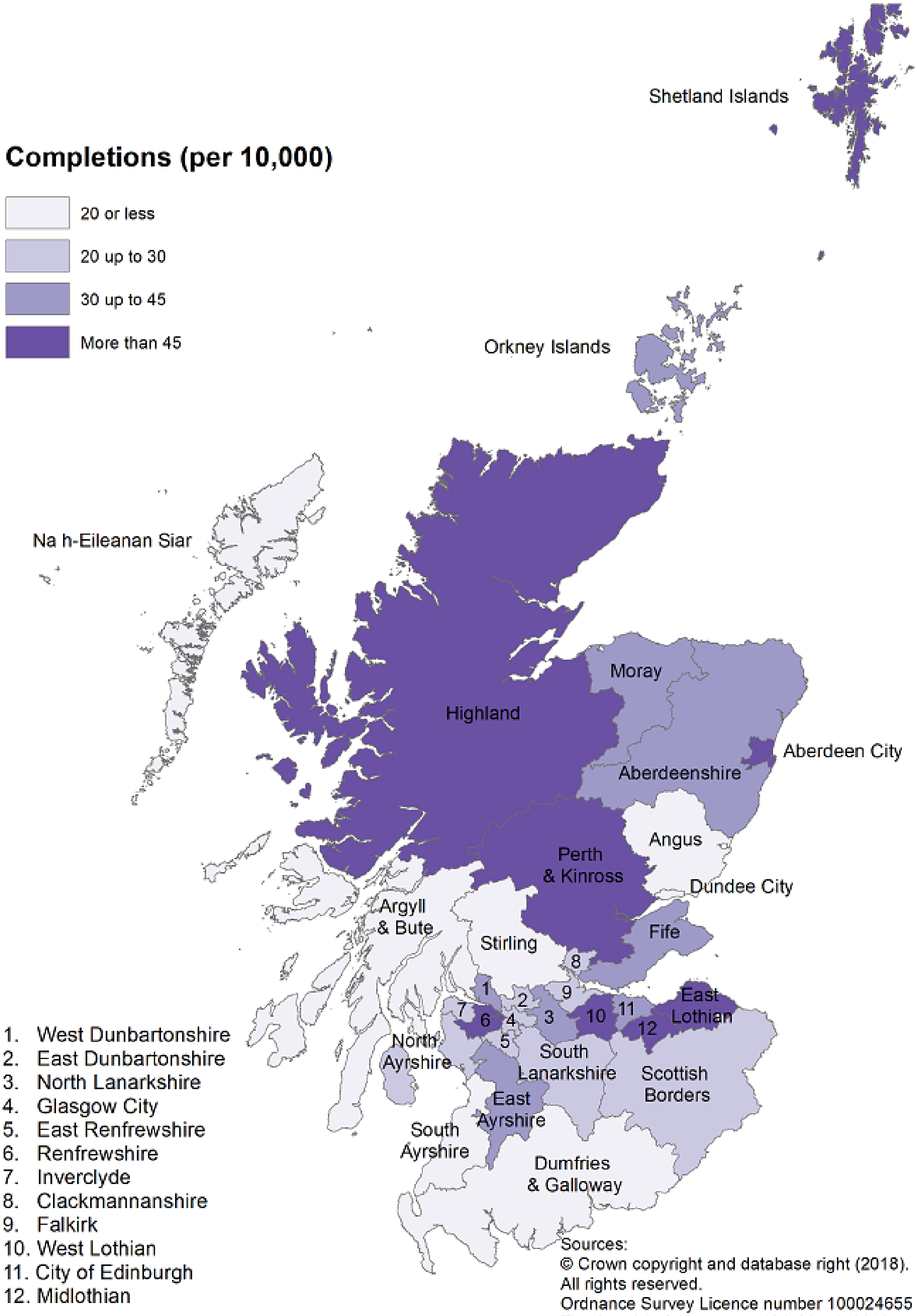


Sub-national figures for the year to end September 2018 – all sectors

The information on new build housing in Scotland is collected and published at local authority level. Map A, below, shows new house building in the year to end September 2018, as a rate per 10,000 population based on the latest mid-2017 population estimates.

In the year to end September 2018 the highest new build rates were observed in East Lothian, Midlothian, Renfrewshire, Perth & Kinross and Highland. The lowest rates were observed in Argyll & Bute, Dumfries & Galloway, South Ayrshire, Dundee City and Na h-Eileanan Siar.

Map A: New build housing - all sector completions: rates per 10,000 population, year to end September 2018

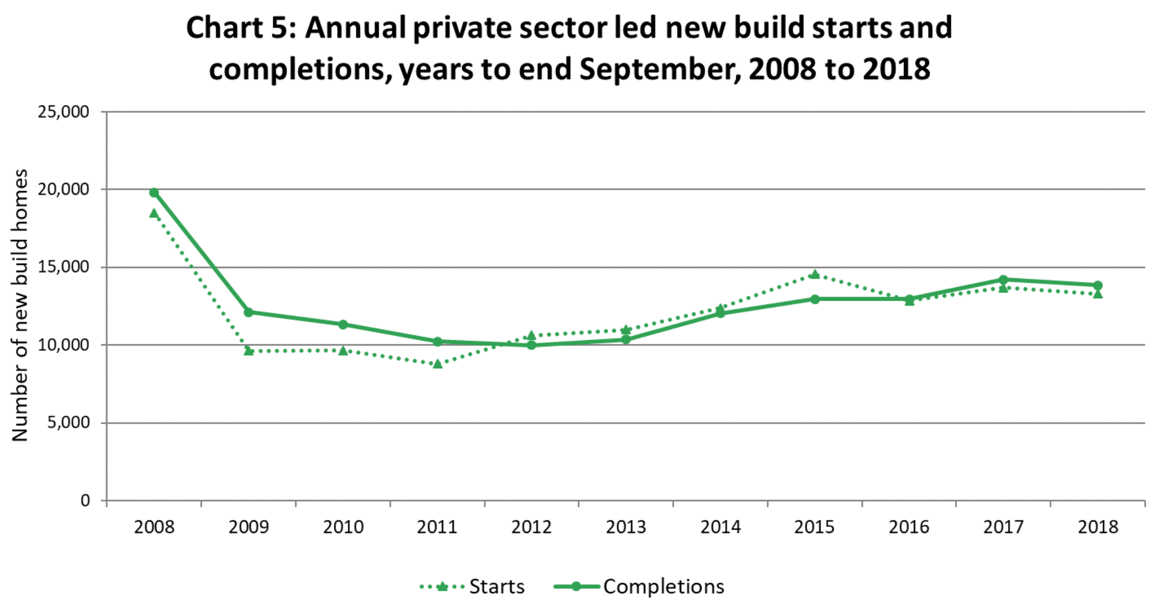


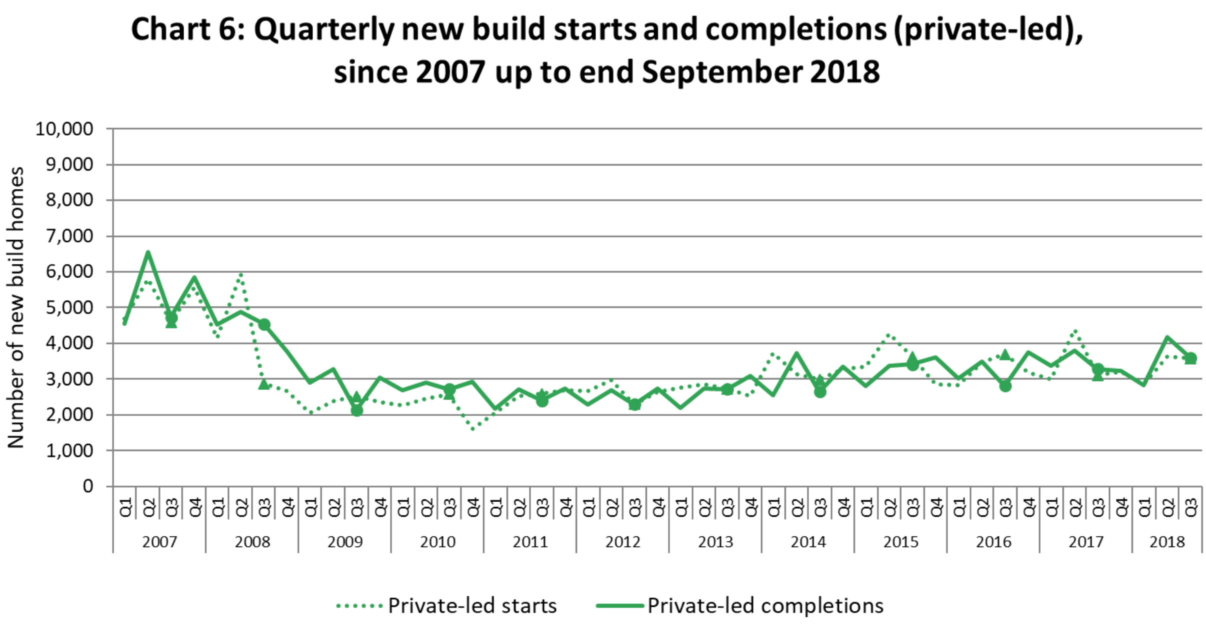
Sources:

Ordnance Survey Licence number 100024655
The Scottish Government 12th March 2019

New Build Housing – Private-led – up to end September 2018

The private sector is the biggest contributor to overall house building, accounting for just under four-fifths (74%) of all homes completed in the 12 months to end September 2018.





Trends over the last ten years – private sector

In 2008 (year to end September) the number of private sector homes started was just over 18,500, while completions were just over 19,800. Private sector led new build housing was hit particularly hard by the recession. The number of homes completed dropped steeply between 2008 and 2010 then continued to decrease more gradually to just over 9,900 in 2012. Since then, the number of homes completed has increased each year, except for the latest year, bringing completions to just over 13,800 in the year to end September 2018.

In September 2013 the Scottish Government introduced the Help to Buy (Scotland) scheme which has aimed to support buyers purchasing a new build home and to stimulate the house building industry. Following this, the Help to Buy (Scotland) Affordable New Build and Help to Buy (Scotland) Smaller Developers schemes were launched on 21 January 2016. Further information on the schemes, along with monitoring information setting out numbers of sales, is available at http://www.gov.scot/Topics/Built-Environment/Housing/BuyingSelling/help-to-buy.

Trends to end September 2018 – private sector

Between July and September 2018, 3,608 private sector led homes were completed; 10% more (320 homes) than the same quarter in 2017. This brings the total for the year to end September 2018 to 13,831 which is 3% less (368 homes) than the 14,199 completions in the previous year.

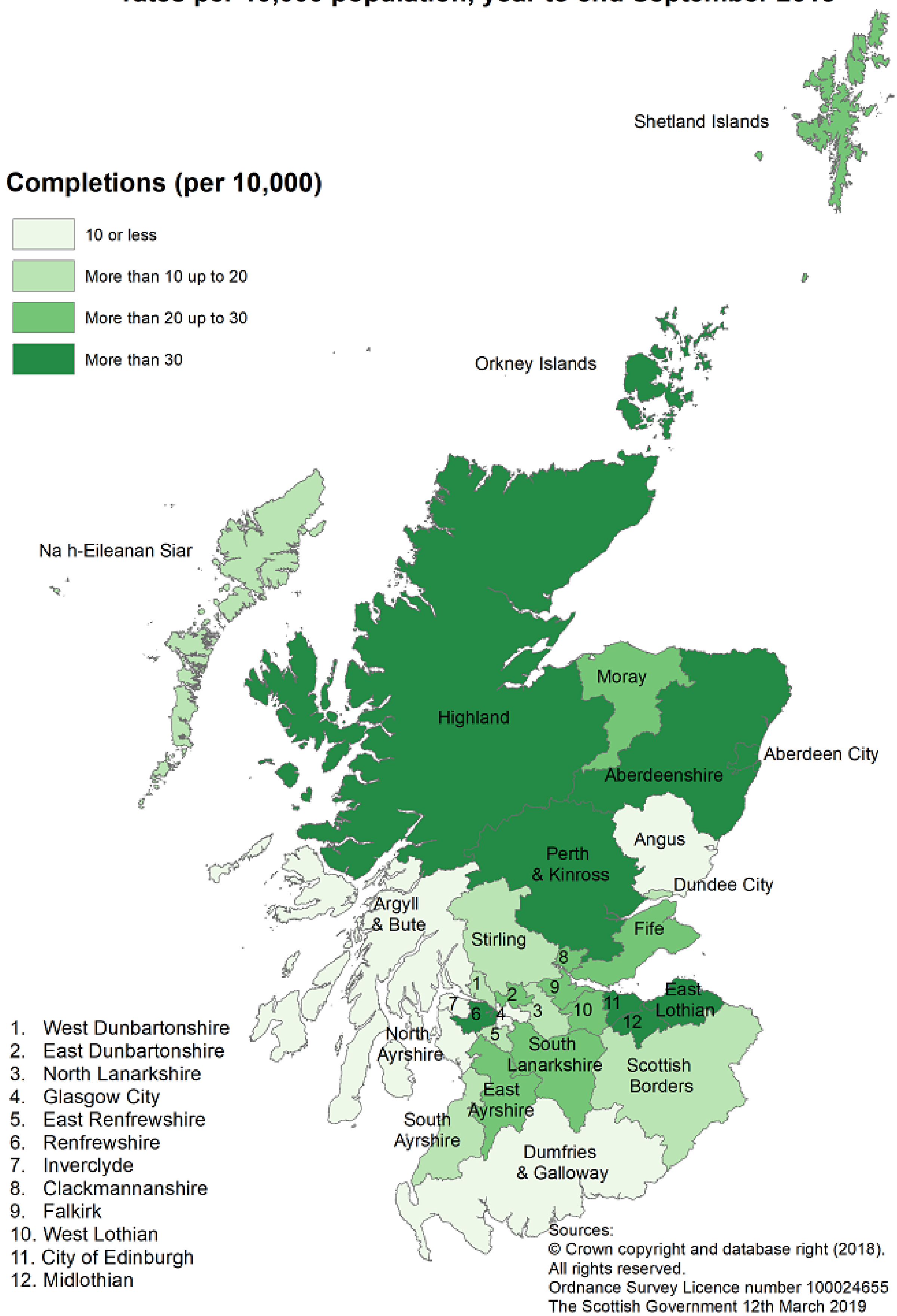
There were 3,583 private sector led starts between July and September 2018, 15% more than (480 homes) than the same quarter in 2017. This brings the total for the year ending September 2018 to 13,293 which is 3% less (397 homes) than the 13,690 starts in the previous year.

Sub-national figures for the year to end September 2018 – private sector

Map B shows the rates per 10,000 head of population (based on the latest mid-2017 population estimates) of private sector led new build completions in each local authority for the year to end September 2018.

The highest completion rates have been in East Lothian, Midlothian, Renfrewshire, Aberdeen City and Perth & Kinross. The lowest rates meanwhile, have been in Argyll & Bute, Inverclyde, Angus and North Ayrshire.

Map B: New build housing - Private Sector completions: rates per 10,000 population, year to end September 2018



New Build Housing – Social Sector

Social sector housing consists of local authority and housing association housing, and has accounted for just over a quarter of all new build homes completed over the 12 months to end September 2018. Social sector figures are collected a quarter ahead of those for the private sector meaning that figures are available up to the end of December 2018. However, to enable easier understanding of how each sector contributes to the all sector totals described previously, figures are also presented for the same time period to end September (although quarterly charts include the latest quarter's data).

The more up-to-date figures for the social sector are presented later in this section.

Chart 7a: Housing Association and Local Authority new build starts and completions, years to end September 2008 to 2018

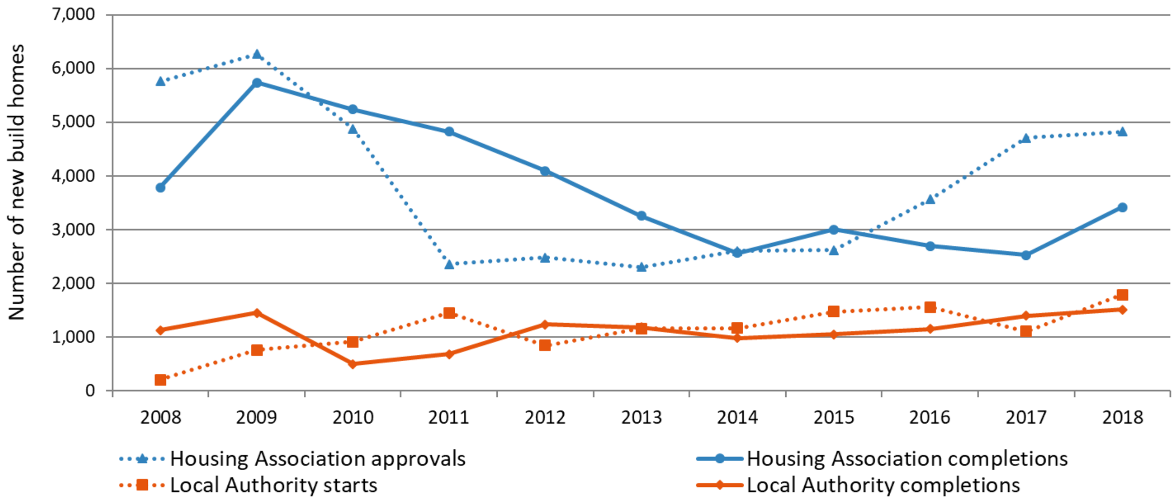


Chart 7b: Housing Association and Local Authority new build starts and completions, years to end December, 2008 to 2018

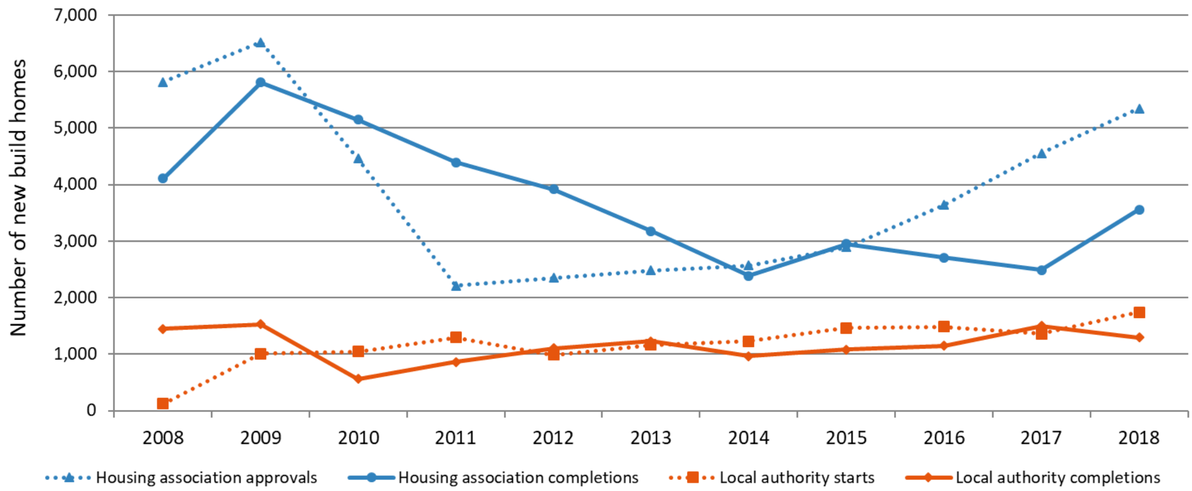


Chart 8: Quarterly new build approvals and completions (Housing Associations) since 2007 up to end December 2018

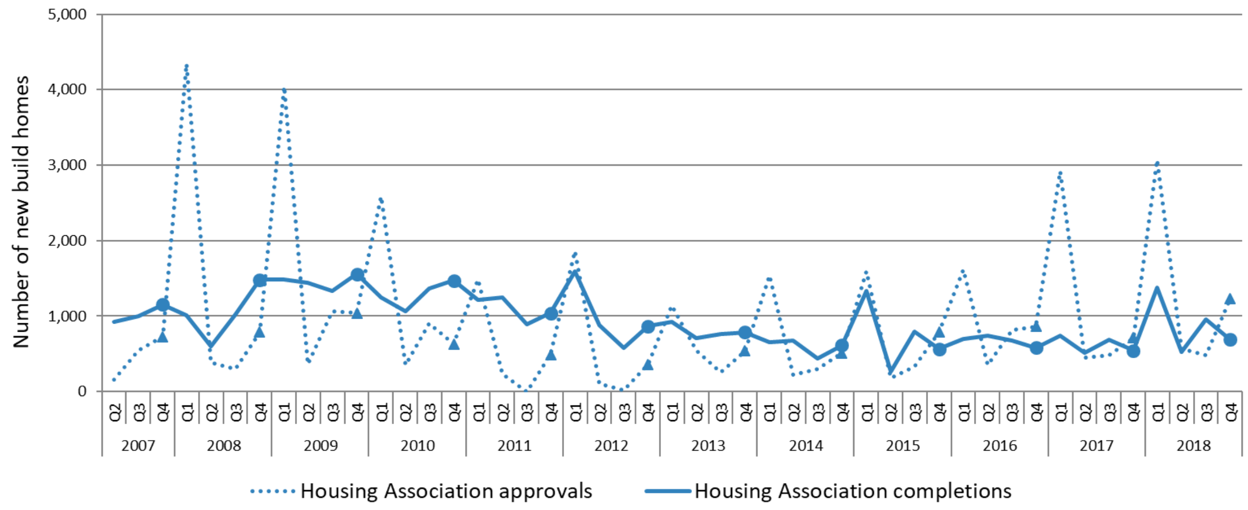
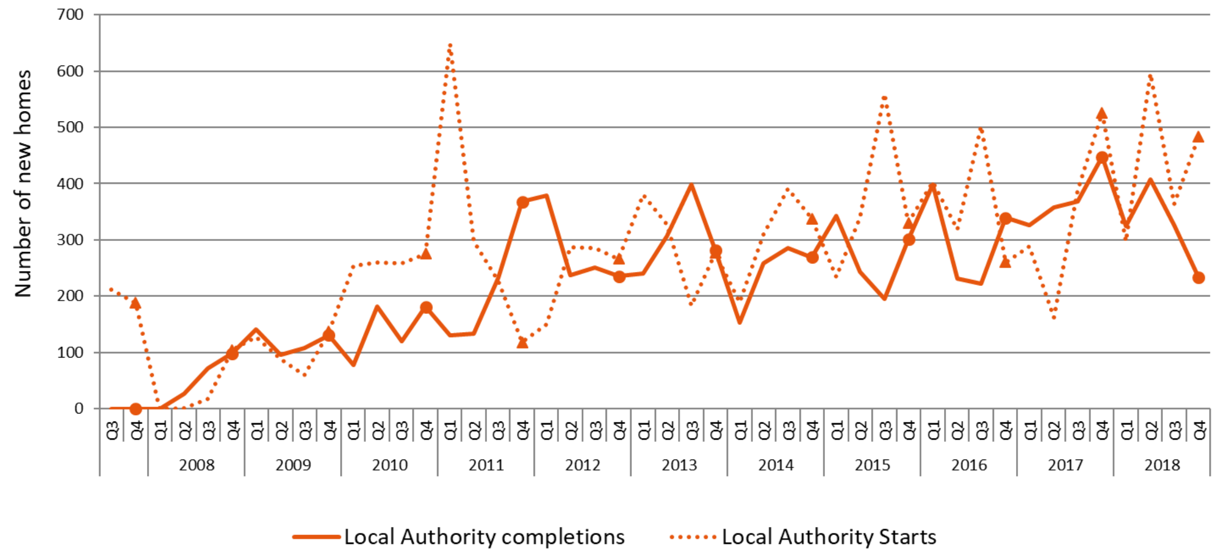


Chart 9: Quarterly new build starts and completions (Local Authority) since 2007 up to end December 2018



Trends over the last ten years – social sector

Chart 7a shows the number of local authority and housing association homes started and completed each year (to end September) since 2008, whilst Chart 7b shows the same information but up to end December (the most recent information available). Charts 8 and 9 show quarterly figures for housing associations and local authorities, respectively.

Social sector house building has not followed the same pattern as the private sector over time as the number of homes being built did not suddenly drop in 2008 following the recession.

Between 2008 and 2009 (years to end September) the number of housing association completions increased from just under 3,800 to just under 5,700. Completions then decreased from just over 5,200 in 2010 to just over 2,500 in 2017, before increasing in the latest year to over 3,400 in 2018.

The number of housing association approvals meanwhile decreased from just over 6,200 in 2009 to just over 2,300 in 2013 (years to end September). The figures have then increased each year to just over 4,800 in 2018.

The number of local authority homes built increased from just over 1,000 homes in 2008 up to just over 1,400 in 2009 (years to end September). Completions then fell by almost two thirds between 2009 and 2010 to total around 500 homes in 2010, before increasing to over 1,200 in 2012. Completions decreased slightly in 2013 and 2014 but have since increased each year since 2015 to just over 1,500 in 2018. Local Authority housing has accounted for 8% of the total amount of new build homes completed across all sectors in the 12 months to end September 2018.

Trends to end September 2018 – social sector

There were 1,286 social sector completions between July and September 2018; 22% more than the same quarter in 2017. This brings the total for the year to end September 2018 to 4,919. This is a 26% increase on the 3,916 social sector completions in the previous year.

Meanwhile, 842 social sector homes were started between July and September 2018; 26 less than in the same quarter in 2017. This brings the total for the year to end September 2018 to 6,607. This is a 14% increase on the 5,803 social sector starts in the previous year.

Sub-national figures for the year to end September 2018 – social sector

Maps C and D show the rates of housing association and local authority new build completions in each local authority for the year to end September 2018 per 10,000 of the population (based on the latest mid-2017 population estimates). The housing stock of 6 local authorities (Argyll & Bute, Dumfries & Galloway, Glasgow, Inverclyde, Na h-Eileanan Siar and Scottish Borders) has been transferred to housing associations and so these areas do not build new local authority houses.

In the year to end September 2018 rates of housing association new build completions were highest in Shetland, Inverclyde, Glasgow, North Ayrshire and

Highland, whilst the lowest rates were of completion were in West Lothian, East Dunbartonshire, East Renfrewshire and South Ayrshire.

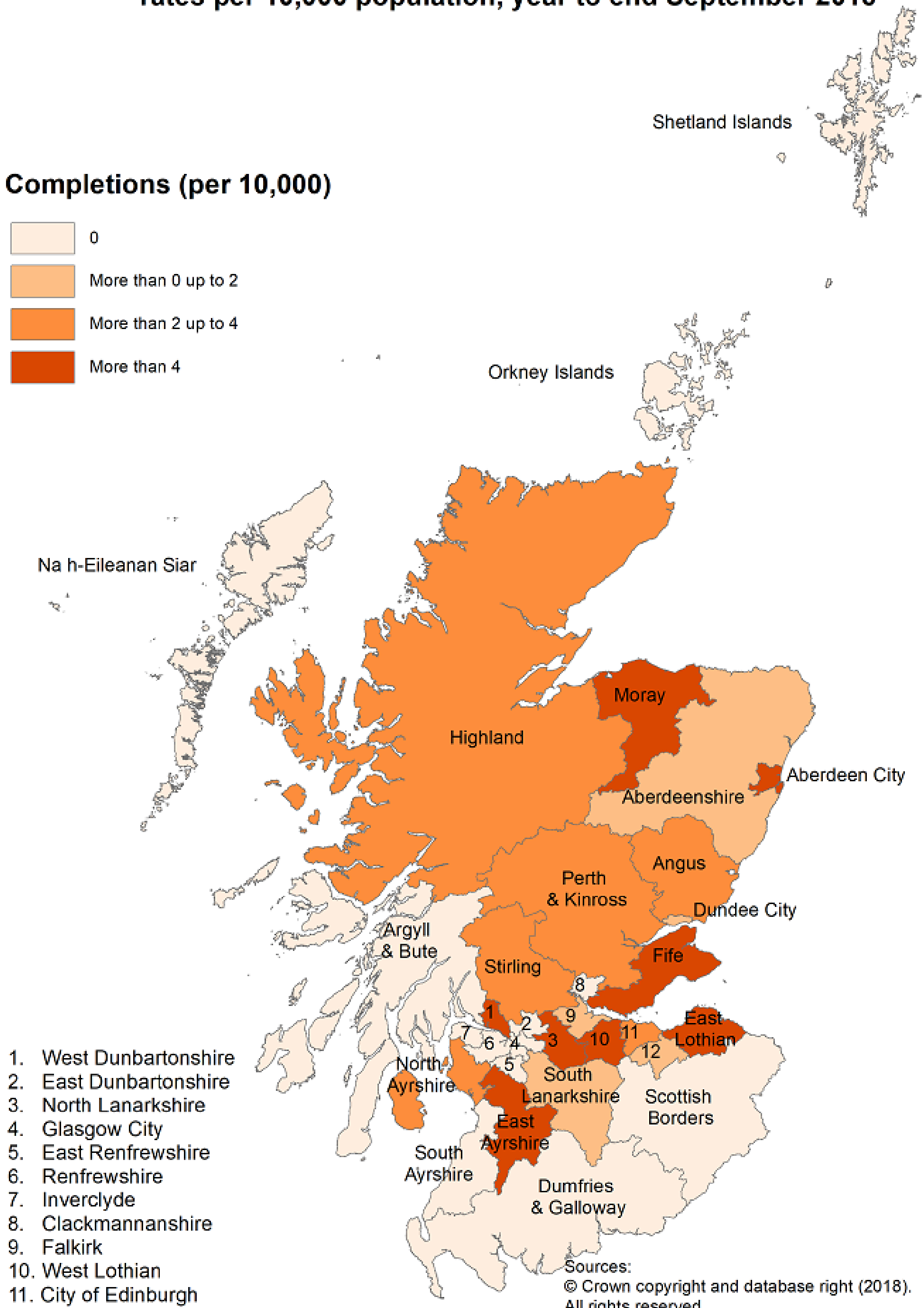
Meanwhile local authority new build rates were highest in West Lothian, East Ayrshire, Fife and Moray. As well as the 6 stock transfer authorities mentioned above, South Ayrshire, Shetland, Renfrewshire, Orkney Islands, East Renfrewshire, East Dunbartonshire and Clackmannshire had no completions any in the year ending June 2018.

Latest data to end December 2018 – social sector

A total of 925 social sector homes were completed between October and December 2018, 7% less than the 992 completions in the same quarter in 2017. This brings the total completions for the 12 months to end December 2018 to 4,852, a 22% increase on the 3,989 social sector homes completed in the previous year. The increase in the 12 months to end December 2018 is due to an increase in Housing Association led completions, which increased by 43% (1,071 homes).

Meanwhile, 1,717 social sector homes were started between October and December 2018. This is an increase of 39% compared to the same quarter in the previous year. This brings the total for the 12 months to end December 2018 to 7,088 which is a 20% increase (1,169 homes) on the 5,919 starts in the previous year. The increase in the 12 months to end December 2018 is due to a 28% (376 homes) increase in Local Authority starts and a 17% (793 homes) increase in Housing Association led approvals.

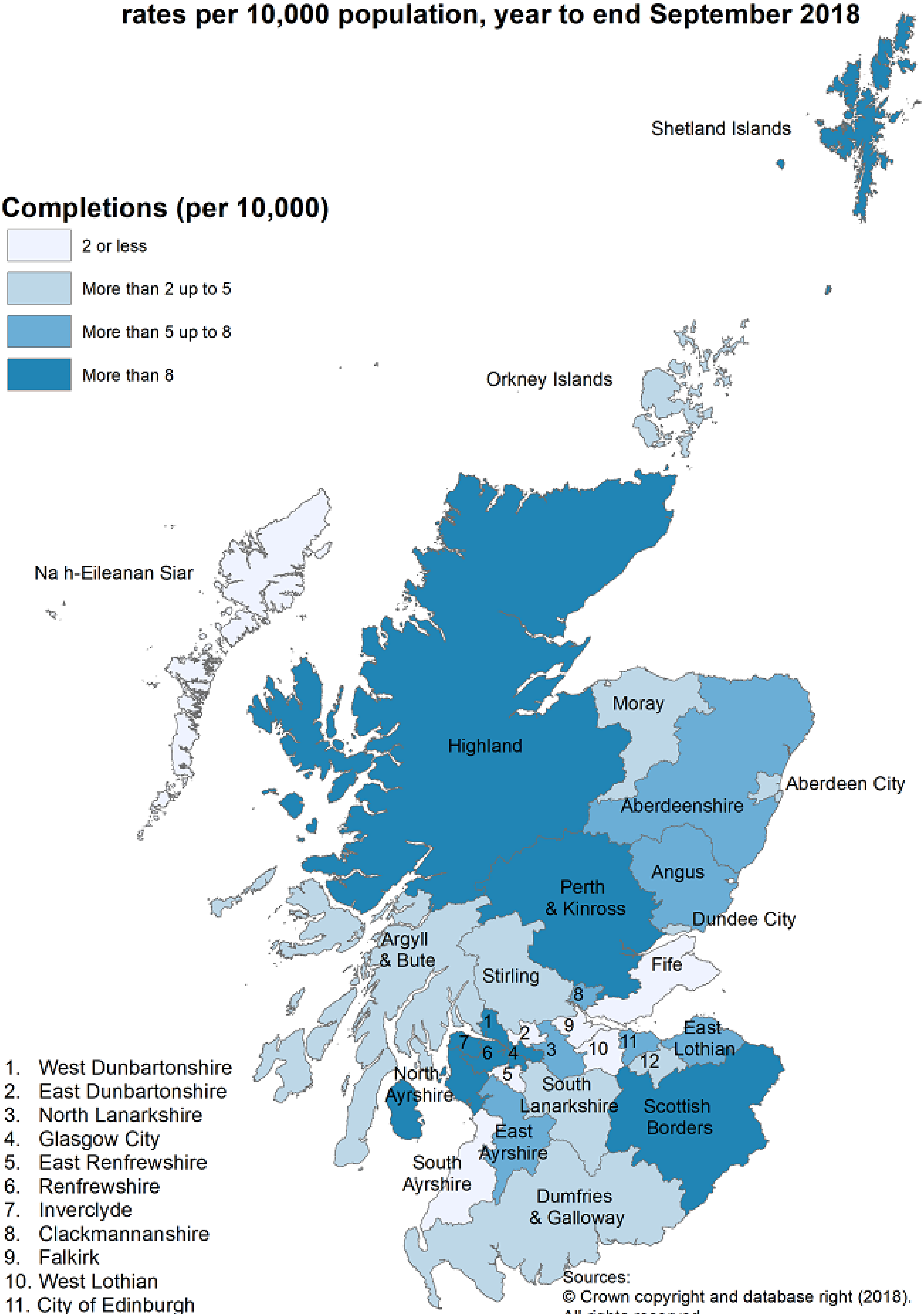
Map C: New build housing - Local Authority Sector completions: rates per 10,000 population, year to end September 2018



Sources:

Ordnance Survey Licence number 100024655
The Scottish Government 12th March 2019

Map D: New build housing - Housing Association completions: rates per 10,000 population, year to end September 2018



Affordable Housing Supply – up to end December 2018

Affordable Housing Supply Programme (AHSP) statistics reflect the broader supply of affordable homes (i.e. for social rent, affordable rent and affordable home ownership) and include off the shelf purchases and rehabilitations as well as new builds. The social rent new build element of this covers largely the same houses referred to in the social sector new build section of this report. Statistics for the AHSP are available up to the end of December 2018. As a result they have been presented here for the year to end December. This differs from the figures in much of the remainder of this report which cover years to end September.

Changes in the funding programme in 2011 and 2012 impacted on the timing of affordable housing activity as well as the level of activity and this should be borne in mind when making comparisons over time.

Approvals, starts and completions are all measured for the AHSP. Approval is the point at which funding is granted and, along with completion, is a significant part of the administration process meaning that the data should be of good quality. Starts meanwhile can be recorded at any point in the development, for example when site clearance begins or any point up to the beginning of ground works for foundations. As a result approvals are generally deemed a better measure than starts for AHSP data.

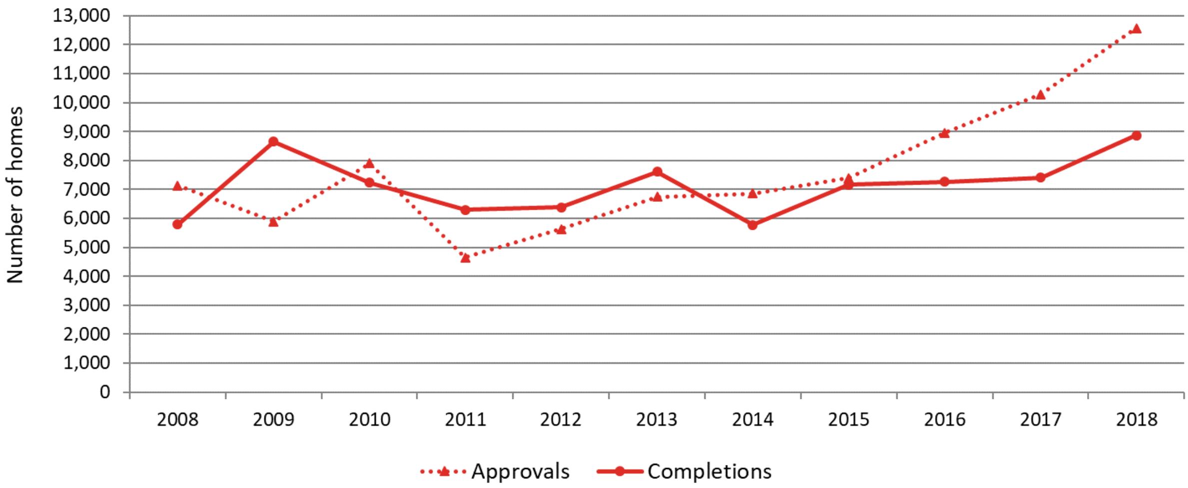
Social Rent includes Housing Association Rent, Council House Rent as well as Home Owner Support Fund Rent.

Affordable Rent includes Mid-Market Rent (MMR), National Housing Trust (NHT) Rent as well as other programmes such as the Empty Homes Loan Fund (EHLF) and Rural Homes for Rent (RHfR).

Affordable Home Ownership includes Open Market Shared Equity (OMSE), New Supply Shared Equity (NSSE), Shared Ownership (LCHO) as well as other programmes such as Home Owner Support Fund Shared Equity.

Quarterly affordable housing supply statistics are used to inform the Scottish Government target to deliver 50,000 affordable homes, including 35,000 homes for social rent, over the period 2016/17 to 2020/21, and reflect the number of affordable homes delivered that have received some form of government support through loans, grant or guarantees.

Chart 10: Annual Affordable Housing Supply Programme (AHSP) approvals and completions, years to end December, 2008 to 2018



A total of 1,993 affordable homes were completed in the quarter between October and December 2018, an increase of 5%, or 100 homes when compared to the equivalent quarter in the previous year. This brings the total for the year to end December 2018 to 8,867, up 20% on the 7,415 completions in the previous year.

Between October and December 2018 a total of 2,738 affordable homes were approved. This is 1,005 (58%) more than in the same quarter in the previous year. It brings the total for the year to end December 2018 to 12,570 approvals, up 22% on the previous year, the fourth consecutive annual increase, and an increase of 70% on the 7,392 approvals in 2015.

There were 2,331 affordable homes started in the quarter between October and December 2018, a 19% decrease, or 539 fewer homes than the same quarter last year. This brings the total for the year to end December 2018 to 9,659, down 13% on the 11,068 starts in the previous year.

Chart 11 below shows that total affordable housing supply programme completions increased by 20% in 2018 (year to end December). In the latest year, social rent completions accounted for 64% of all completions, with affordable rent and affordable home ownership making up 11% and 25% of the total, respectively.

Chart 12 below shows that the total affordable housing supply programme approvals increased by 22% in 2018 (year to end December). In the latest year, social rent approvals accounted for 64% of all approvals, with affordable rent and affordable home ownership making up 18% and 19% of the total, respectively[2].

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[2] Figures may not add up to 100% due to rounding

Chart 11: AHSP Completions, years to end December, 2008 to 2018

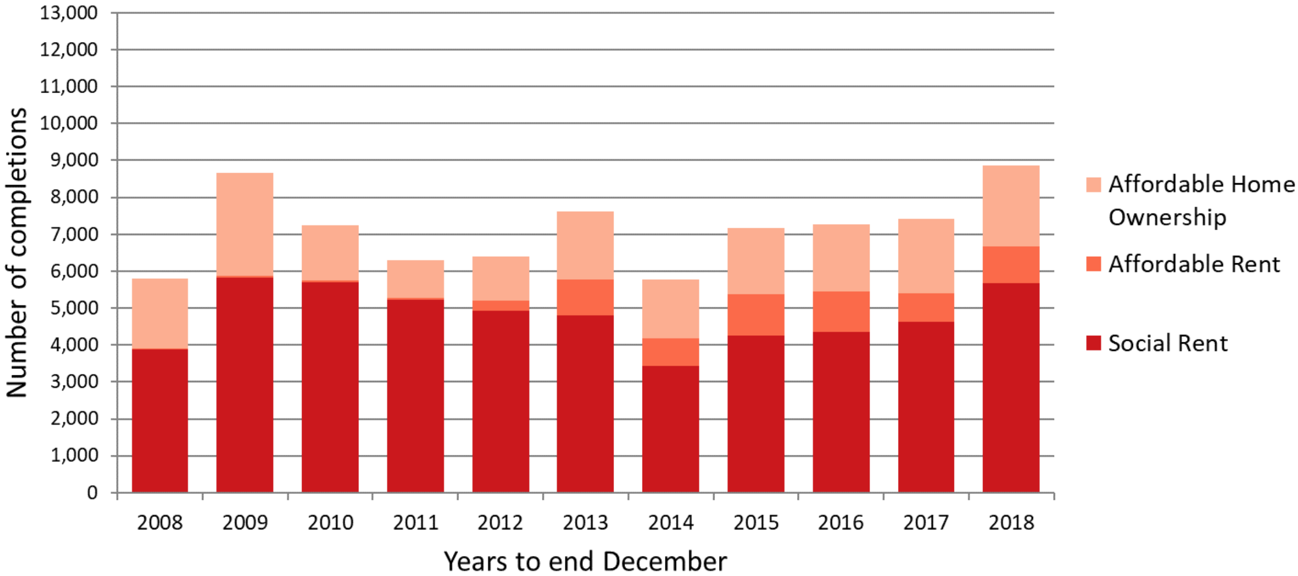
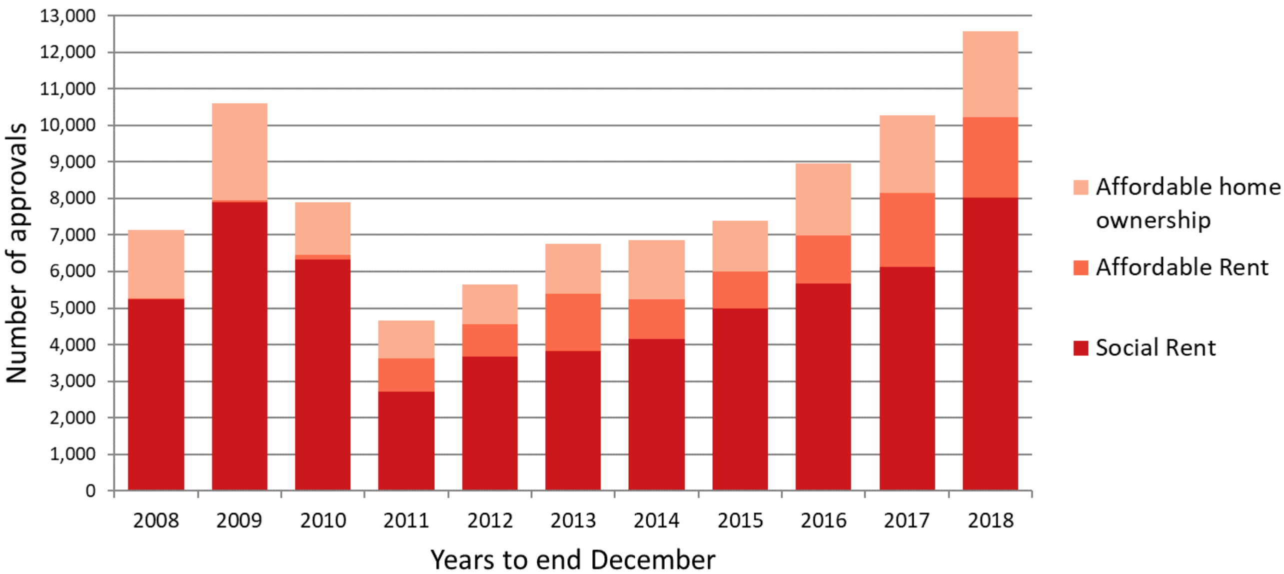


Chart 12: AHSP Approvals, years to end December, 2008 to 2018



Notes

This document should be read along with the explanation of the statistics which provides information on how the statistics are collected and how they should be interpreted are provided below.

Starts and completions

New build information is provided for starts (when the foundations are begun) and completions (when a building inspector deems the property complete). In general, the number of starts will be a strong indicator of the likely trend in completions over the longer term, but there may well be differences over the short and medium term depending on factors such as the housing market, economic climate, access to finance, and speed of construction. A wide range of factors can influence the length of time it takes for a new private dwelling to be constructed, including the type of property (house, flat etc.), and the overall size of the site. Depending on the size of the site, the average time from start to completion of the entire site can range from anywhere between around 1.5 years to 2.75 years. Individual homes, or blocks of homes, might be completed in shorter timescales if parts of the site are completed in advance of the rest.

Comparing over time

New build figures are not seasonally adjusted and so it’s not always appropriate to compare the latest quarter’s figure with the previous one. In particular Housing Association approvals tend to peak in Quarter 1 of each year due to the way in which funding is allocated to these projects. This document generally compares the latest quarter’s figures with those for the equivalent quarter in previous years or it compares the latest 12 month period with the previous one. For series where there is no obvious seasonal pattern it may also compare with the average quarterly figure over a period of time.

A National Statistics publication for Scotland

The United Kingdom Statistics Authority has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

Designation can be interpreted to mean that the statistics: meet identified user needs; are produced, managed and disseminated to high standards; and are explained well.

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How to access background or source data

The data collected for this statistical bulletin are available via an alternative route:
http://www.gov.scot/Topics/Statistics/Browse/Housing-Regeneration

Complaints and suggestions

If you are not satisfied with our service or have any comments or suggestions, please write to the Chief Statistician, 3WR, St Andrew's House, Edinburgh, EH1 3DG, Telephone: (0131) 244 0302, e-mail statistics.enquiries@gov.scot.

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ISBN 978-1-78781-624-4 (web only)

APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA
PPDAS541566 (03/19)